

Prefiled Testimony of Joseph F. Conneely

**NORTHERN UTILITIES, INC.
NEW HAMPSHIRE DIVISION
SUMMER PERIOD 2011
COST OF GAS ADJUSTMENT FILING
PREFILED TESTIMONY OF
JOSEPH F. CONNEELY**

1 **I. INTRODUCTION**

2 **Q. Please state your name, business address, and position.**

3 A. My name is Joseph F. Conneely. My business address is 6 Liberty Lane West,
4 Hampton, New Hampshire.

5

6 **Q. For whom do you work and in what capacity?**

7 A. I am a Senior Regulatory Analyst for Unitil Service Corp. (“Unitil Service”), a
8 subsidiary of Unitil Corporation that provides managerial, financial, regulatory
9 and engineering services to Unitil Corporation’s principal subsidiaries Fitchburg
10 Gas and Electric Light Company, d/b/a Unitil (“FG&E”), Granite State Gas
11 Transmission, Inc. (“Granite”), Northern Utilities, Inc. d/b/a Unitil (“Northern”),
12 and Unitil Energy Systems, Inc. (“UES”) (together “Unitil”). In this capacity I
13 am responsible for managing reporting requirements and filing required reports.

14

15 **Q. Please summarize your professional and educational background.**

16 A. I graduated from Saint Anselm College, Manchester, New Hampshire in 1999
17 with a Bachelor of Arts degree in Financial Economics. Before joining Unitil, I
18 worked for the Royal Bank of Scotland- Sempra Energy Trading Corp. joint
19 venture (“RBS”) in Greenwich, Connecticut as a senior electricity and natural gas
20 trader. Prior to working for RBS, I was employed as a mid-term electricity and

1 natural gas trader at Morgan Stanley in New York City. Before this position at
2 Morgan Stanley, I ran an energy trading book at Shell Gas and Energy Trading
3 North America in La Jolla, California. I joined Usource, a subsidiary of Unitil
4 Service Corp in August 2008. In December 2008 I joined the Regulatory
5 Services Department at Unitil.

6
7 **Q. Have you previously testified before the New Hampshire Public Utilities**
8 **Commission?**

9 A. Yes. I testified before the Commission in Northern's Winter Period 2010 - 2011
10 Cost of Gas Adjustment proceeding, Docket DG 10-250.

11

12 **II. PURPOSE OF TESTIMONY**

13 **Q. What is the purpose of your testimony in this proceeding?**

14 A. The purpose of my testimony is twofold. First, I will introduce and describe
15 Northern's 2010 Summer Period Cost of Gas Adjustment Reconciliation filing. In
16 addition, I provide a typical bill analysis for the rate changes in this docket that
17 are proposed for effect May 1, 2011.

18

19 **Q. Is Northern filing a corrected 2010 Summer Period Reconciliation?**

20 A. Yes. A corrected filing is being made because Northern found that it misstated
21 the Summer Period allocation of the Miscellaneous Overhead line item under
22 "demand costs" in Schedule 4, page 2 of 2 filed in Docket DG 10-050. The

1 correct Summer allocation for Miscellaneous Overhead is \$28,452, not \$31,261 as
2 was submitted in the January 25, 2011 Reconciliation filing. Northern has also
3 corrected Schedule 4 page 1 of the Summer Period Reconciliation. The line item
4 “ATV Reconciliation Charges” incorrectly stated a total of \$729,136. The correct
5 total for this item is \$862,344. The corrected schedules illustrate the Company’s
6 under-collection of \$124,276. The January 25, 2011 Reconciliation filing
7 incorrectly presented an over-collection of (\$7,568).

8

9 **Q. Please explain the prior Summer Period under-collection of \$124,276.**

10 A. Schedule 5 provides the 2010 Summer Period Cost of Gas Adjustment
11 Reconciliation ("Reconciliation") as filed in Docket DG 10-050 on January 25,
12 2011. The 2010 Summer Period under-collection of \$124,276 is the result of the
13 following factors: a previous Summer Period (2009) under-collection of \$91,535;
14 cost of gas expense of \$4,981,640; interest expense of \$5,937; and collections in
15 the amount of (\$4,942,961). The Reconciliation also presents the (over)-
16 collection balance for the working capital allowance of (\$7,494), and the under-
17 collection balance for bad debt allowance in the amount of \$3,159.

18

19 **Q. Does Northern propose to collect those amounts during the 2011 Summer**
20 **Period?**

21 A. Yes. Northern proposes to collect the 2010 Summer Period under-collection
22 balances through the cost of gas rates proposed as part of this filing.

1 **Q. How does the 2011 Summer Period proposed cost of gas compare with the**
2 **2010 Summer Period cost of gas rate?**

3 A. The proposed residential heating 2011 Summer Period rate of \$0.6354 per therm
4 is \$0.0491 per therm lower than the 2010 Summer Period rate of \$0.6845 per
5 therm. This is discussed in the testimony of Mr. Simpson.

6
7 **Q. Have you prepared a typical bill analysis showing the impact of the proposed**
8 **changes for effect on May 1, 2011 on a typical residential gas heating**
9 **customer?**

10 A. Yes. Schedule 8 provides this analysis and shows the impact of the proposed
11 changes. A typical residential heating customer consuming 318 therms during the
12 2011 Summer Period will see a bill of \$396.66 for the entire Summer Period of
13 May through October. This is \$10.57, or 2.59% lower than the bill for the same
14 usage during the 2010 Summer Period.

15
16 **Q. Does this conclude your testimony?**

17 A. Yes, it does.